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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/686,711	10/10/2000	Pallab K. Chatterjee	020431.0706	4657

53184 7590 01/26/2009

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ART UNIT	PAPER NUMBER
3695	

MAIL DATE	DELIVERY MODE
01/26/2009	PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte PALLAB K. CHATTERJEE,
GREGORY A. BRADY, and
DENNIS A. KUMP

Appeal 2008-1511
Application 09/686,711
Technology Center 3600

Decided: January 26, 2009

Before HUBERT C. LORIN, ANTON W. FETTING, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pallab K. Chatterjee et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-11, 13-23, and 25-44. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We REVERSE.[1]

THE INVENTION

The invention relates to "the field of electronic commercial transactions and, in particular, to a system and method for providing electronic financial transaction services." (Specification 1:6-8).

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

> 1. A computer-implemented marketplace for providing one or more financial transaction services to participants in connection with commercial transactions involving the participants, comprising:
>
> a database containing:
>
> registration information for one or more types of transactions available to participants through the marketplace;
>
> participation criteria for each participant specifying one or more types of transactions in which the participant is willing to participate in association with the marketplace, each participant being pre-qualified to enter into the one or more types of transactions specified in the participation criteria for the participant; and
>
> one or more processes each operable to provide an associated financial transaction service for one or more participants in connection with ongoing transactions involving the participants;

[1] Our decision will make reference to Appellants' Appeal Brief ("App. Br.," filed Feb. 5, 2007) and Reply Brief ("Reply Br.," filed Oct. 3, 2007), and the Examiner's Answer ("Answer," mailed Jun. 12, 2007).

the marketplace operable to:

initiate a selected process in response to a specified event associated with an ongoing transaction, according to the registration information and participation criteria, to provide a corresponding financial transaction service to at least one participant involved in the ongoing transaction; and

monitor activities of the at least one participant in the ongoing transaction to assess whether the participant should continue to be pre-qualified to participate in transactions of the same type as the ongoing transaction.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Shavit	US 4,799,156	Jan. 17, 1989

The following rejections are before us for review:

1. Claims 1-11, 13-23, and 25-36 are rejected under 35 U.S.C. § 102(b) as being anticipated by Shavit.
2. Claims 37-44 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Shavit.

ISSUES

The first issue before us is whether the Appellants have shown that the Examiner erred in rejecting claims 1-11, 13-23, and 25-36 under 35 U.S.C. § 102(b) as being anticipated by Shavit. The issue turns principally on whether Shavit expressly or inherently describes "participation criteria" as

claimed; that is, "a database containing … participation criteria for each participant specifying one or more types of transactions in which the participant is willing to participate in association with the marketplace, each participant being pre-qualified to enter into the one or more types of transactions specified in the participation criteria for the participant" (claim 1).

The second issue before us is whether the Appellants have shown that the Examiner erred in rejecting claims 37-44 under 35 U.S.C. § 103(a) as being unpatentable over Shavit.

PRINCIPLES OF LAW

Anticipation

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987).

Obviousness

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the

prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). See also *KSR*, 127 S.Ct. at 1734 ("While the sequence of these questions might be reordered in any particular case, the [Graham] factors continue to define the inquiry that controls.") The Court in Graham further noted that evidence of secondary considerations "might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." 383 U.S. at 17-18.

ANALYSIS

The rejection of claims 1-11, 13-23, and 25-36 under § 102(b) as being anticipated by Shavit.

Claim 1

The Appellants argued that Shavit fails to describe "a database containing "participation criteria for each participant" that "specifies one or more types of transactions in which the participant is willing to participate," as recited in claim 1." (App. Br. 24). See also (Reply Br. 3-6). On that basis, the Appellants also argued that Shavit further fails to describe the claim 1 limitations "each participant being pre-qualified to enter into the one or more types of transactions specified in the participation criteria for the participant" and "initiate a selected process in response to a specified event associated with an ongoing transaction, according to the registration information and participation criteria, to provide a corresponding financial transaction service." (App. Br. 24-26) and (Reply Br. 3-6).

The Examiner disagreed. According to the Examiner, the Appellants did not provide in the Specification a special definition for "participation

criteria." (Answer 9). Thus, according to the Examiner, the claim limitation "participation criteria" is to be given the broadest reasonable construction and, in that context, Shavit inherently describes the claimed "participation criteria." (Answer 9).

> As such, the examiner must necessarily give this expression its broadest meaning within the context of the phrase and the entire claim of which it is part (MPEP 2106, II C). The context of the phrase "participation criteria" in the specification suggests that these criteria are simply taken from the participant's registration information regarding the registered participant's areas of chosen participation. This interpretation makes sense in the claim limitation in which it is found, namely the participant's willingness to participate in certain activities in the marketplace he has registered to participate with. Shavit teach such participation criteria for a participant by primarily dedicating his teaching to business participants within one industry, although he makes a passing reference to this being possible for multiple industries. His base case focuses on the participants within one industry (Col. 1, 1. 45, 61-66; Col. 2, 11. 9-15; Col. 6, 11. 2-4 - within an industry market). As such, each participant is indicating participation criteria in the registration process focused on a specific industry. This is an important underpinning in Shavit without which his invention cannot function. In other words, this is a must in Shavit's teaching. Further, as part of the essential logic by which Shavit's teaching hangs together, Shavit explicitly teaches that each participant is registered to participate in one or more types of transactions, as provided in a lengthy listing of examples in Col. 6, 11. 9-1 5. Shavit's system depends on these specific

> transaction types which the registered participant must provide at the time of registration, or Shavit's system would not function.

(Answer 9).

The Appellants argued that the Examiner focused on the phrase "participation criteria" without considering the context in which the phrase is used in claim 1. (Reply Br. 3). According to the Appellants, the question is not simply whether Shavit describes a database containing "participation criteria," but whether Shavit describes a database containing "participation criteria for each participant *specifying one or more types of transactions in which the participant is willing to participate* in association with the marketplace, each participant being *pre-qualified to enter into the one or more types of transactions specified* in the participation criteria for the participant" (claim 1). (Reply Br. 5) (Emphasis original). Accordingly, the Appellants argued that Shavit fails to describe a database containing "participation criteria" as defined in claim 1.

We have carefully reviewed the record. We agree with the Appellants.

There appears to be no dispute that Shavit describes a database as part of an interactive electronic business transaction system. Such a database is clearly indicated in Shavit at, for example, (col. 2, l. 27). There also appears to be no dispute that Shavit's database contains information relevant to users of the Shavit system. "To provide the various services to subscribers and other users the system 50 [see Fig. 1] maintains a local data base which may include a complete data base for individual subscribers as well as a partial data base of a subscriber." (Col. 7, ll. 23-26). The question is whether

Shavit's database further contains "participation criteria" as defined in claim 1.

Shavit does not expressly describe "participation criteria" of any kind. The Examiner relied on Fig. 2 and (col. 6, ll. 4-9) ["Users who subscribe to the services of the interactive market management system have all the services of the system available to them while non-subscribers may access the system and communicate with data bases of subscribers who authorize such access."] of Shavit as evidence that Shavit describes the claimed "participation criteria." (Answer 3). We can find no express description of "participation criteria" in Fig. 2 or (col. 6, ll. 4-9).

Accordingly, to anticipate claim 1, Shavit must inherently describe the claimed "participation criteria."

In that regard, the Examiner stated that "Shavit explicitly teaches that each participant is registered to participate in one or more types of transactions, as provided in a lengthy listing of examples in (Col. 6, 11. 9-15)." (Answer 9). However, Shavit (col. 6, ll. 9-15) ("Subscribers may include such market participants as sellers … , their agents … .") does not say, as the Examiner appears to be suggesting, that subscribers must register according to the type of transaction they intend to pursue. It simply lists examples of the types of subscribers the system may include. To the extent the Examiner means to argue that Shavit's database might include information about a subscriber (e.g. "registration information) and the subscriber's purpose for using the system which would inherently represent "participation criteria," "[i]nherent anticipation requires that the missing descriptive material is 'necessarily present,' not merely probably or possibly present, in the prior art." *Trintec Indus., Inc. v. Top-U.S.A. Corp.*, 295 F.3d

1292, 1295 (Fed. Cir. 2002) (quoting *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999)). We are unable to discern from the passages relied upon by the Examiner that "participation criteria" are necessarily present in Shavit's database. While it is possible, "[i]nherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient." *Hansgirg v. Kemmer*, 102 F.2d 212, 214 (CCPA 1939), quoted in *Continental Can Co. USA v. Monsanto Co.*, 948 F.2d 1264, 1269 (Fed. Cir. 1991).

Furthermore, as the Appellant has argued, the question is not merely whether Shavit describes a database containing "participation criteria" but "participation criteria for each participant *specifying one or more types of transactions in which the participant is willing to participate* in association with the marketplace, each participant being *pre-qualified to enter into the one or more types of transactions specified* in the participation criteria for the participant" (claim 1). Shavit describes security measures, including the use of a user's profile, by which access to a subscriber's information in the data base may be limited. (See col. 9, l. 43 – col. 10, l. 32). Including a security measure specifying types of transactions participants might be willing to participate is a possibility. However, such a criterion is not necessarily contained in Shavit's database. Accordingly, Shavit does not inherently describe a database containing the "participation criteria" as defined in claim 1.

For the foregoing reasons, we reverse the rejection of claim 1. Claims 2-11 depend on claim 1 and their rejection under § 102(b) is reversed for the same reasons.

Claim 13

Claims 13 is a method claim whose steps parallel the elements of apparatus claim 1. Accordingly, to anticipate claim 13, Shavit must expressly or inherently describe "storing participation criteria for each participant which specifies one or more types of transactions in which the participant is willing to participate in association with the marketplace, each participant being pre-qualified to enter into the one or more types of transactions specified in the participation criteria for the participant" (claim 1). Since we did not find that Shavit expressly or inherently described the "participation criteria" set forth in claim 1, and that limitation is equally required by the subject matter of claim 13, we reverse the rejection of claim 13 for the same reasons used to reverse the rejection of claim 1. Claims 14-23 depend on claim 13 and their rejection under § 102(b) is reversed for the same reasons.

Furthermore, in the context of claim 1, the Appellants also argued that Shavit fails to describe "a marketplace operable to 'monitor activities of the at least one participant … to assess whether the participant should continue to be pre-qualified to participate in transactions of the same type as the ongoing transaction' as recited in claim 1." (App. Br. 25-26). See also (Reply Br. 6). The Examiner relied on Shavit Figs. 8 (elements 224-234) and (col. 20, l. 64 – col. 21, l. 36) (describing Fig. 8) to show that Shavit describes a marketplace operable to monitor as claimed. (Answer 4). However, we are unable to find in these disclosures any mention of a marketplace operable to monitor as claim 1 describes, let alone a step of monitoring activities of a participant or monitoring activities of a participant to assess whether the participant should continue to be pre-qualified to participate in transactions of the same type as the ongoing transaction as

claim 13 requires. (Col. 20, l. 64 – col. 21, l. 36), for example, describes a processing methodology, involving a sign-in function and a security validation level-3, verifying that a user has selected a party recognized by the system. There is no disclosure of a monitoring step as defined in claim 13.

Claim 25

Claim 25 is a system claim paralleling apparatus claim 1 but presented in means-plus-function format. A claim limitation that includes the term "means" is presumed to be intended to invoke means-plus-function treatment, i.e., treatment under 35 U.S.C. § 112, 6th paragraph. *Rodime PLC v. Seagate Tech.*, Inc., 174 F.3d 1294, 1302 (Fed. Cir. 1999).

"The first step in construing a means-plus-function claim limitation is to define the particular function of the claim limitation. *Budde v. Harley-Davidson, Inc.*, 250 F.3d 1369, 1376 (Fed. Cir. 2001). "The court must construe the function of a means-plus-function limitation to include the limitations contained in the claim language, and only those limitations." *Cardiac Pacemakers, Inc. v. St. Jude Med.*, Inc., 296 F.3d 1106, 1113 (Fed. Cir. 2002)…. The next step in construing a means-plus-function claim limitation is to look to the specification and identify the corresponding structure for that function. "Under this second step, structure disclosed in the specification is "corresponding" structure only if the specification or prosecution history clearly links or associates that structure to the function recited in the claim.'" *Med. Instrumentation & Diagnostics Corp. v. Elekta AB*, 344 F.3d 1205, 1210 (Fed. Cir. 2003) (quoting *B. Braun Med. Inc. v.*

Abbott Labs., 124 F.3d 1419, 1424 (Fed. Cir. 1997))." *Golight Inc. v. Wal-Mart Stores Inc.*, 355 F.3d 1327, 1333-34 (Fed. Cir. 2004).

One of the elements of the system described by claim 25 is a "means for monitoring activities of the at least one participant in the ongoing transaction to assess whether the participant should continue to be pre-qualified to participate in transactions of the same type as the ongoing transaction." Its particular function is to monitor activities of a participant in an ongoing transaction in a manner to assess the participant fitness to continue participating in the ongoing transaction. The Specification states: "[t]he present invention contemplates monitoring participant performance according to any appropriate criteria to ensure settlement marketplace 16 retains its status as trusted commercial entity. Monitoring information may be stored in database 22 or in another suitable location." (Specification 12:8-11). This statement is made in the context of a description of an electronic financial transaction services marketplace (Specification 7:2-3). Thus the monitoring function is linked to a structure that combines software (i.e., "appropriate criteria") within the framework of an electronic financial transaction services marketplace. The Examiner has not shown that Shavit expressly or inherently describes such a structure. Accordingly, the rejection of claim 25 under § 102(b) over Shavit is reversed.

Claim 26

Claim 26 is drawn to a computer-readable medium embodying software which, when executed, is operable to, among other things, "monitor activities of the buyer in the purchase transaction to assess whether the buyer should continue to be pre-qualified to participate in purchase transactions."

Given that we found Shavit does not expressly or inherently describe a monitoring step or structure to affect such a result, we reach the same conclusion as to the monitoring instruction embodied on the computer readable medium defined by claim 26. Accordingly, the rejection of claim 26 under § 102(b) over Shavit is reversed. Claims 27-30 depend on claim 26 and their rejection under § 102(b) is reversed for the same reasons.

Claim 36

Like claim 25, claim 36 is an apparatus claim in means-plus-function format. Like claim 25, claim 36 includes a means for monitoring activities. For the same reasons that we found Shavit did not expressly or inherently describe the monitoring means of claim 25, we find that Shavit does not expressly or inherently describe the monitoring means of claim 36. Accordingly, the rejection of claim 36 is reversed.

The rejection of claims 37-44 under § 103(a) as being unpatentable over Shavit.

Claims 37-44 depend variously from independent claims 1, 13, 26, and 31. The Examiner relies on the position that Shavit inherently describes all the features of the independent claims, the subject matter of which are includes in the dependent claims. Since we have determined that Shavit does not inherently describe all the features of the independent claims, and the Examiner has not presented a prima facie case of obviousness for the subject matter of those claims, we reverse the rejection of these claims.

CONCLUSIONS OF LAW

We conclude that the Appellants have shown that the Examiner erred in rejecting claims 1-11, 13-23, and 25-36 under 35 U.S.C. § 102(b) as being anticipated by Shavit and claims 37-44 under 35 U.S.C. § 103(a) as being unpatentable over Shavit.

DECISION

The decision of the Examiner to reject claims 1-11, 13-23, and 25-44 is reversed.

REVERSED

JRG

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